



Division of Motor Vehicles

March 1, 2011

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DMV Response to Vehicle Inspection Study

Improvements to the vehicle inspection program:

- Electronic transmitting and monitoring of all inspections
- Improved compliance
- Improved oversight of field staff





Monetary Impacts of Eliminating the Safety Inspection Program

Lost Revenue based on 6,379,050 safety inspections in FY 2010

- Highway Fund (.55) = \$3,508,477
- Volunteer EMS / Rescue (.18) = \$1,148,229
- Rescue Relief Worker Fund (.12) = \$765,486

Savings to customers annually -- \$13.60

Lost business to inspection stations





Safety Impacts of Eliminating the Safety Inspection Program

Table 4.1 Fatal Crashes per Billion VMT
2004 to 2007 Average

Group of States	Weighted Evenly	Weighted by State VMT
Without a Program	12.6	12.0
With a Program	11.1	11.1
Pennsylvania	12.7	12.7

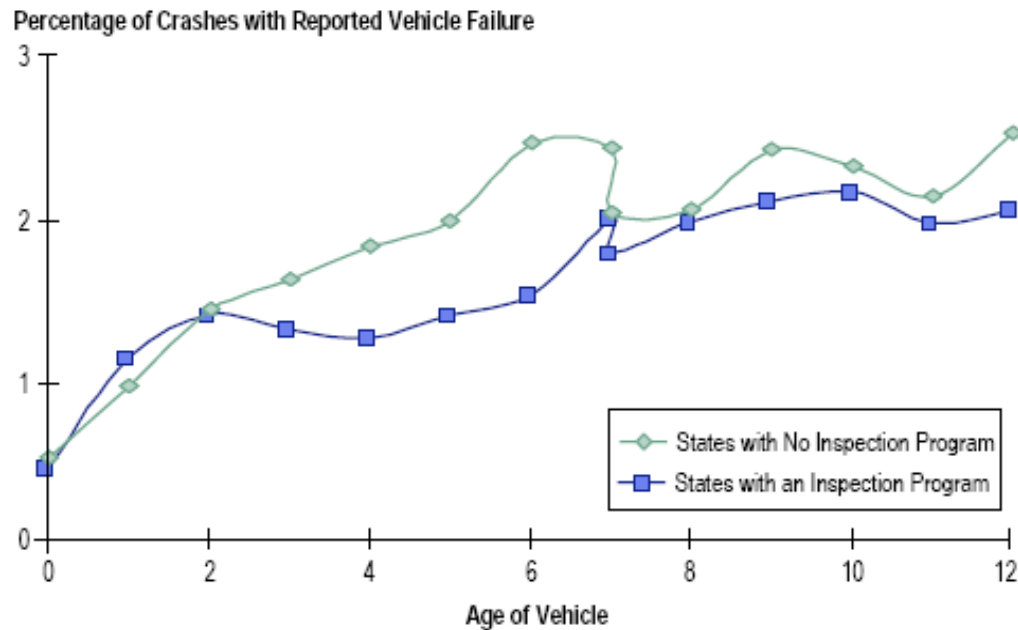
Source: Fatality Analysis Reporting System 2004 to 2007 data, stratified by state inspection program presence.





Safety Impacts of Eliminating the Safety Inspection Program – Cont.

Figure 4.2 Comparison of Fatal Crashes with Reported Vehicle Failures
By Age Proxy and Program Presence





Personnel Impacts of Eliminating the Safety Inspection Program

- 4,800 audits eliminated – 20% of auditor work
- Reduction of 8 auditor positions
- Savings of \$393,170 in the inspection program account





Monetary Impacts of Exempting Three Newest Model Year Vehicles From Safety Inspections

Lost revenue annually based on an average of 318,294 vehicles sold annually:

- Highway Fund (.55) = \$175,000
- Volunteer EMS / Rescue (.18) = \$57,000
- Rescue Relief Worker Fund (.12) = \$38,000





Monetary Impacts of Exempting Three Newest Model Year Vehicles from Emissions Inspections

Lost revenue annually based on an average of 318,294 vehicles sold annually, about 60% of which are registered in emissions counties

- Highway Fund (.55) = \$105,000
- Inspection Program Account (3.00) = \$573,000
- Telecommunication Account (1.75) = \$334,000
- Volunteer EMS / Rescue (.18) = \$34,000
- Rescue Relief Worker Fund (.12) = \$23,000
- Division of Air Quality (.65) = \$124,000





Monetary impacts of a biennial vehicle inspection requirement

Lost revenue based on FY 2011 projections

Safety

- Highway Fund (.55) = \$ 831,188
- Volunteer EMS / Rescue (.18) = \$ 272,025
- Rescue Relief Worker Fund (.12) = \$ 181,350

Emissions

- Highway Fund (.55) = \$ 1,278,874
- Inspection Program Account (3.00) = \$ 6,975,675
- Telecommunication Account (1.75) = \$ 4,069,144
- Volunteer EMS / Rescue (.18) = \$ 418,541
- Rescue Relief Worker Fund (.12) = \$ 279,027
- Division of Air Quality (.65) = \$ 1,511,396

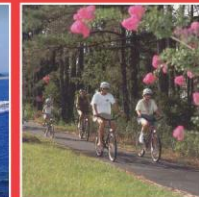
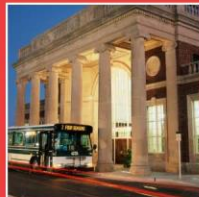
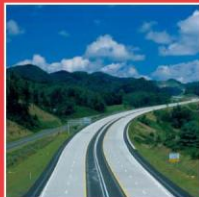




Obstacles and implications of a biennial vehicle inspection requirement

- Statutory changes necessary
- Rewrite and USEPA approval of the air quality State Implementation Plan
- Cost to rewrite software used by inspection stations
- Cost to rewrite programming in vehicle registration database
- Potential increase in safety hazards on vehicles





Migration to State Ownership of the Inspection Database

Inspection Program Data System Historical and Projected Cost (FY 2008 through FY 2016)									
Cost Category	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Bladen County Hotline Positions				\$ 636,555	\$ 636,555	\$ 636,555	\$ 636,555	\$ 636,555	\$ 636,555
New System Operations & Maintenance						\$ 472,800	\$ 472,800	\$ 472,800	\$ 472,800
New System Project Cost				\$ 1,771,263	\$ 2,029,182	\$ 190,033			
Verizon Inspection Transaction Fees	\$6,522,267	\$8,126,110	\$ 6,197,144	\$ 6,545,196	\$ 6,371,170	\$ 700,000			
Verizon Hotline	\$ 646,650	\$ 353,484	\$ 346,447	\$ 295,982					
	\$7,168,917	\$8,479,593	\$ 6,543,591	\$ 9,248,996	\$ 9,036,907	\$1,999,388	\$1,109,355	\$1,109,355	\$1,109,355
		NET	Transition Yr	\$(2,705,405)	\$(2,493,316)	\$4,544,203	\$5,434,236	\$5,434,236	\$5,434,236





Vehicle Registration Fees

Fee Schedule	
Passenger	\$28.00
4,000 – Pound Private Truck	\$28.00
Trailer or Semitrailer	\$19.00
House Trailer and/or Camping Trailer	\$11.00
Motorcycle	\$18.00
U-Drive-It Passenger Car	\$51.00
U-Drive-It Motorcycle One Passenger	\$18.00
U-Drive-It Motorcycle Two Passenger	\$22.00
U-Drive-It Motorcycle Three Passenger	\$26.00
Private Bus (16 Passengers or more)	\$31.00
10 Day Tags	\$5.00





Implications of biennial registrations

- Vehicle registration fees are directed into the Highway Fund to pay for state road repair and maintenance
- Local governments collect vehicle property taxes based on registrations
- Coordination with vehicle inspections
- Vehicles other than standard passenger carry additional complications
- Registration blocks would be less useful





Cost and savings from biennial registration; timeline

- Extensive programming changes would be expensive
- Compensation to license plate agencies would decrease
- Annual savings from reduced printing, postage, decals, personnel -- \$4.6 million
- Implementation fiscal year 2013, along with vehicle property tax collection





DMV Must Accept Payment Cards

- Daily transactions – 60,000 VR; 11,000 DL
- Fees generated are directed into the Highway Fund, generating \$541M annually for state road repair and maintenance
- Highway Use Tax generates \$450M annually for highway construction
- All require cash or check for payment
- Volume of transactions, security of funds, and customer convenience make it a necessity for DMV to accept credit cards





Challenges to implementation of payment card use

- Cost - \$15 million annually
- Unclear whether DMV could charge convenience fee
- Requirements to use state controller contract with credit card companies





Challenges to implementation of payment card use – Cont.

Initial cost of payment card acceptance

- DMV would need 928 terminals at \$600 each – total \$556,800
- Various databases would have to be programmed to interface with credit card processing

Recurring cost of payment card acceptance

- 4 cents/transaction plus 0.0172% of each transaction to card provider; 28 cents/transaction to ITS
- About 70% of transactions will be paid with credit cards
- Total \$15.5 million annually





Options to Fund Payment Card Costs

- Fee increases
- Appropriation from the Highway Fund
- Third-party provider





Possible fee increases to cover credit card costs

- 1% increase on all International Registration Plan collections -- \$586,840
- Driver license permit from \$15 to \$20, and ID cards from \$10 to \$13 -- \$1,543,273
- Increase vehicle registrations and title fees by \$1 -- \$14,372,801
- Total estimated revenue \$16,502,914





Potential Customer Service Improvements

Exempting DMV from ITS procurement requirements:

- Replacement of the electronic inspection system could occur faster/better/cheaper
- DMV could investigate and purchase a phone system that better fit its needs





Potential Customer Service Improvements

Authorize DMV to conduct vehicle titling and registration transactions in more locations

- DMV only titles and registers vehicles in Raleigh and Charlotte and registers online
- Some driver license offices and the mobile driver license units could accommodate these services
- Use of kiosks for simple transactions is prohibited





Potential Customer Service Improvements

Driver License Office Wait Times

- The new driver license system will improve wait times
- DL offices make checks or offer services not directly related to the driver license

